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# How One Agency Redefined ROI Using Evolv-CS™

*A Case Study of Lutheran Child &  
Family Services of Michigan*

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In collaboration with LCFS

## **INTRODUCTION**

The purchase of an electronic medical record (EMR) system is a substantial investment for social services organizations of all sizes. Because an EMR is central to an agency's operations, the subject of return on investment (ROI) has become an increasingly important concern for agency management.

Traditionally, ROI attempts to justify this investment with a single number, which demonstrates fiscal advantages such as increased revenue or decreased operating costs. This traditionally quantitative approach to ROI is desirable for investors and supports the idea that an investment's value should be judged solely by the financial gains it produces in the short-term.

However, there are those that argue that when investing in IT for health care, it would be wise for organizations to consider taking a bigger-picture perspective that includes long-term qualitative returns. These are overall improvements that might be less evident in the short-term, such as improved quality of care and long-term health benefits for patients. This paper will discuss how one agency, Lutheran Child & Family Service of Michigan (LCFS), achieved some of these qualitative returns using Defran Systems' Evolv-CS software system.

## **CLIENT PROFILE**

Lutheran Child & Family Service of Michigan (LCFS) has provided human services to children and families through partnerships within the local communities for more than 100 years. Services include counseling, foster care, residential care, family preservation, teen parent and adoption and are provided to more than 13,000 children and families throughout Michigan each year.

## **THE CHALLENGE**

LCFS had clear expectations of what it wanted from its electronic record system – to allow the agency to operate with greater efficiency and enable staff to more easily manage client information. Such improvements would allow personnel to more productively allocate resources, resulting in increased value of care and services provided to clients.

Goals such as these represent a qualitative approach to establishing ROI. Eric Musum, Director of Information Technology for LCFS, states, "We chose not to evaluate the product we selected to replace our client management system based on the traditional ROI. This project was viewed as an investment to take our client management systems to the next level, much like replacing a typewriter with a PC, or better yet, investing in a network and a server over standalone PCs."

For LCFS, the key measures for success were:

- Elimination of paperwork, redundant spreadsheets and databases
- Production of accurate, reliable billing data
- Manageability of all client information by the entire staff

While cost-cutting is an important factor for any organization, clearly, at the core of LCFS' decision to adopt an EMR software system was a desire to run its organization at a much higher level. Improved management of the vast amount of client and financial data was LCFS' top priority.

## **THE SOLUTION**

LCFS chose Defran Systems' Evolv-CS system to achieve its goal of taking the organization to a higher level of effectiveness. The staff is now able to gather more data and use it in increasingly meaningful ways to increase overall efficiency. The use of standard reporting tools to manage programs has facilitated better oversight of staff productivity, ensuring contractual and regulatory compliance. Outstanding receivables have been reduced, improving cash flow, and data is now readily available to allow executive staff to make informed decisions. Says Musum, "With Evolv-CS we are now functioning at a level we weren't five years ago."

From an accounting perspective, LCFS can now easily analyze claims and revenue data. With Evolv-CS, claims can be arranged by service dates so accounts can be analyzed for per diem services, a task that was previously very difficult and required a great deal of paperwork. The accounting department now has more control over applying contract parameters to data entry and revenue calculation and because the system prevents "rogue" entries, there is greater confidence in the data's accuracy. Musum says, "Although these gains are difficult to quantify in terms of ROI, my CEO is pleased and the board is satisfied."

## **CONCLUSION**

LCFS expected its electronic system to provide an ROI that would improve the quality of its operations and take it to a higher level service. For LCFS, the implementation of Evolv-CS has been successful in delivering these returns and more. Greater control over data and processes has resulted in bevy of improvements which include the generation of accurate and trustworthy data, better claims analysis and processing, increased revenue, greater regulatory compliance and a reduction in redundant paperwork. Most importantly, when taken in whole, these qualitative returns on investment resulted in improved care and decision making at all levels.